

Message Text

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45

ACTION AF-18

INFO OCT-01 ISO-00 EB-11 COME-00 TRSE-00 STR-08 INT-08

OMB-01 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03 NSAE-00

NSC-10 PA-04 RSC-01 PRS-01 SPC-03 SS-20 USIA-15

SAM-01 AGR-20 DRC-01 (ISO) W
----- 032682

R 251456Z FEB 74

FM AMEMBASSY PRETORIA

TO SECSTATE WASHDC 9355

INFO AMCONSUL CAPE TOWN

AMCONSUL DURBAN

AMCONSUL JOHANNESBURG

LIMITED OFFICIAL USE PRETORIA 0795

CAPE TOWN ALSO FOR EMBASSY

E.O. 11652: N/A

TAGS: ETRD, SF

SUBJ: EXPORT CONTROLS AND TAXES

REF: (A) STATE 022871; (B) PRETORIA 4642; (C) PRETORIA 0560

1. EMBASSY POUCHING COMPLETE LIST OF COMMODITIES SUBJECT TO SA EXPORT CONTROLS. ONLY ITEMS ADDED SINCE JANUARY 1973 ARE (A) COAL AND COKE, AND (B) INTERNAL COMBUSTION ENGINE FUELS, BOTH GAZETTED DECEMBER 14. CONTROLS OVER COAL EXPORTS SEEN AS FORMALIZING PREVIOUS PROCEDURES UNDER WHICH PRIOR SAG APPROVAL REQUIRED FOR MAJOR EXPORT CONTRACTS. INDUSTRY SOURCES INDICATE CONTROLS NOT RPT NOT DESIGNED TO HAVE RESTRICTIVE IMPACT BUT ONLY A CONTINGENCY MEASURE SHOULD OVERWHELMING DEMAND DEVELOP FOR COAL AS RESULT CURRENT ENERGY CRISIS. (GIVEN SIZE SA COAL RESERVES, IT UNLIKELY THIS CONTINGENCY WILL MATERIALIZE ALTHOUGH PRODUCTION EXPANSION TAKES TIME.) CONTROLS OVER INTERNAL COMBUSTION ENGINE
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FUELS (ALL IMPORTED OR REFINED FROM CRUDE IMPORTS) CLEARLY

DESIGNED TO PROTECT DOMESTIC SUPPLY AVAILABILITIES.

2. SURVEY OF COMPLETE LIST OF EXPORT CONTROLS SHOWS SAG HAS AUTHORITY TO RESTRICT MANY ITEMS PROBABLY IN SHORT SUPPLY. THIS INCLUDES COMMODITIES WHERE SA ITSELF A NET IMPORTER AND CONTROLS OBVIOUSLY TO PROTECT DOMESTIC SUPPLY. OTHER CONTROLS, ESPECIALLY THOSE ON BASIC MINERAL EXPORTS, HAVE NOT RPT NOT TO OUR KNOWLEDGE BEEN USED TO ACTUALLY RESTRICT EXPORTS. AS INDICATED REF C, SA APPEARS TO BE ATTEMPTING TO TAKE ADVANTAGE OF PREVAILING HIGH PRICES TO INCREASE VALUE OF EXPORTS.

3. EXPORTS OF AGRICULTURAL PRODUCTS GENERALLY NOT RPT NOT SUBJECT EXPORT CONTROL REGULATIONS BUT ARE IN FACT CONTROLLED BY CENTRAL BODIES, EG. SUGAR ASSOCIATION, COMMODITY MARKETING BOARDS, ETC. GENERALLY EXPORTS REPRESENT SURPLUS OVER DOMESTIC REQUIREMENTS THOUGH CITRUS FRUIT EXPORTS RECEIVE PREFERENCE OVER DOMESTIC MARKET. AGRICULTURAL PRODUCTION AND THEREFORE EXPORTS SUBJECT TO NORMAL VAGARIES SUCH AS WEATHER (EG. LAST YEAR'S DROUGHT WHICH CURTAILED CORN EXPORTS). AGAIN, SAG POLICY APPEARS TO SEEK TO MAXIMIZE EXPORTS WHICH IMPORTANT FOREIGN EXCHANGE EARNER.

4. SA EXPERIENCING SERIOUS SHORTAGES SEVERAL KEY ITEMS, NOTABLY CHEMICALS, PLASTICS, AND IRON AND STEEL PRODUCTS. SA NOT RPT NOT TRADITIONAL EXPORTER THESE ITEMS THOUGH THERE MAYBE PRESSURE FOR EXPORT CONTROLS TO ENSURE LOCAL SUPPLY. WE DO NOT RPT NOT CONSIDER THIS LIKELY, HOWEVER.

5. EMBASSY NOT RPT NOT AWARE OF ANY BARTER TRADE AGREEMENTS IN OPERATION OR ANY ATTEMPTS BY SA TO NEGOTIATE THEM.

6. ONLY EXPORT TAX LEVIED BY SAG IS ON DIAMONDS: 15 PERCENT FOR SA AND 10 PERCENT FOR SWA. AS CONSERVATION MEASURE, NATAL PARKS BOARD ALSO HAS LEVIED EXPORT TAX ON IVORY.

7. COMMENT: ABOVE OUR INITIAL RESPONSE TO REFTEL A, AND WRITTEN WITHOUT CONSULTATION WITH SAG OFFICIALS. WE WILL RAISE GENERAL QUESTION WITH APPROPRIATE OFFICIALS AND REPORT SIGNIFICANT DEVELOPMENTS.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CUSTOMS DUTIES, COAL, RAW MATERIALS, EXPORTS, INFLATION, EXPORT CONTROLS, COKE, AGRICULTURAL PRODUCT SALES, FOREIGN EXCHANGE
Control Number: n/a
Copy: SINGLE
Draft Date: 25 FEB 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974PRETOR00795
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: PRETORIA
Handling Restrictions: n/a
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ISecure: 1
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Review Markings:

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30 JUN 2005

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Review Withdrawn Fields: n/a
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